

ILLINOIS COMMERCE COMMISSION

DOCKET No. 12-0598

REBUTTAL TESTIMONY ON REHEARING

OF

MAUREEN A. BORKOWSKI

Submitted On Behalf

Of

AMEREN TRANSMISSION COMPANY OF ILLINOIS

December 2, 2013

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I. INTRODUCTION

Q. Please state your name, business address and present position.

A. My name is Maureen A. Borkowski. My business address is 1901 Chouteau Avenue, St. Louis, Missouri 63166. I am Senior Vice President at Ameren Services Company (Ameren Services) and President and Chief Executive Officer of Ameren Transmission Company of Illinois (ATXI).

Q. Are you the same Maureen A. Borkowski who previously sponsored testimony in this proceeding?

A. Yes, I am.

II. PURPOSE AND SCOPE

Q. What is the purpose of your rebuttal testimony on rehearing?

A. My testimony responds to the issues presented in the rehearing direct testimony of Staff and certain intervenors, and summarizes ATXI's positions on those issues. I first explain why the Commission should approve a connection at Pana instead of Kincaid. Next, I explain that ATXI would not object to two of Staff's three alternative locations for the Mt. Zion substation. I

then address ATXI's position on the outstanding routing issues; that position being that the evidence continues to support the ATXI routing proposals offered in the underlying case. Finally, I explain why the Commission should reject Staff's suggestion that a new separate proceeding could be needed to resolve the route for MISO MVP #10 and 11 (Pawnee to Pana, and Pana to Mt. Zion to Kansas, to Sugar Creek).

III. KINCAID CONNECTION

Q. What is the issue concerning the Kincaid connection?

A. The issue concerning a Kincaid connection is essentially this: whether the Pawnee and Mt. Zion segments of the Transmission Line should be connected at the Pana substation, as proposed by ATXI, or at the Kincaid substation, as proposed by Staff.

Q. What is Staff's position on the Kincaid connection?

A. Staff witness Mr. Greg Rockrohr testifies that a connection in Kincaid would allow for a shorter route segment than a connection in Pana, and therefore a Kincaid route would cost less to build. He also states that because the overall route is shorter and parallels existing distribution lines, fewer landowners are affected. However, Mr. Rockrohr acknowledged that he did not have an opportunity to meet with landowners along the route he identified, so that it is possible that information may be presented that the route is not ideal or viable. In addition, Staff noted in its October 16, 2013 filing of the alternative route that it had not consulted with state, federal or local government agencies, or any other entities that might have knowledge related to the feasibility or impact of the route.

Q. Does Staff address the impacts of the Kincaid connection on the reliability of the area electric system?

A. No. Mr. Rockrohr does acknowledge that, due to limited time constraints, it is possible parties may present information not available to him as it concerns the Kincaid route. We trust the information provided to Mr. Rockrohr in our direct filing and here in the rebuttal phase is found to be useful in his further review.

Q. What is ATXI's position on the Kincaid connection?

A. ATXI disagrees that a connection in Kincaid would better serve the Project's objectives than a connection in Pana. In fact, a connection at Kincaid is technically inadequate and inferior to the connection at Pana. In addition, a connection at Kincaid is more costly to Ameren Illinois area customers than the Pana connection. Finally, a connection at Kincaid would result in a delay in the in-service date for that section of the Project, failing to meet reliability requirements and putting substantial amounts of load in the Decatur area at risk of outages. Mitigating this risk would require additional costs to be incurred, which would be solely borne by Ameren Illinois area customers, making the Kincaid option even more costly.

Q. Why does a connection in Kincaid not serve the Project's objectives as well as a connection in Pana?

A. As ATXI witnesses Mr. Dennis Kramer and Mr. Jeffrey Hackman state in their rehearing direct and rebuttal testimonies, there are significant technical and engineering deficiencies with making a connection at Kincaid, which make it an impractical solution. Mr. Kramer explains that in contrast to the Kincaid connection, the Pana connection provides increased levels of generator stability at the Coffeen power station, as well as a second 345 kV source into Pana,

which currently has a single 345 kV supply. He also discusses electrical configuration issues at Kincaid which, if found at an Ameren substation, would preclude or at least result in costly reconfiguration of the substation. Mr. Hackman testifies that it may not be feasible to add a new line entering the Kincaid substation, given the condition of the surrounding land and additional connection.

While I appreciate the “appeal” of the Kincaid route based on distance alone, it is clear that the electrical configuration of the Pawnee to Pana and Pana to Mt. Zion route segments is superior to the Kincaid route. In fact, not only is the Pawnee to Pana and Pana to Mt. Zion route technically superior, it is also more cost effective.

Q. If the route segment through Kincaid is shorter and costs less to build, why is a Kincaid connection not the most cost-effective choice?

A. For at least two reasons. First, a Kincaid connection would involve more than building a transmission line segment. The Kincaid to Mt. Zion segment must also be connected to the Kincaid substation. Mr. Kramer and Mr. Hackman have already explained the engineering challenges and limitations, necessary equipment changes and upgrades associated with connecting at Kincaid, and the approximate cost associated with addressing those challenges. Second, the “all in” cost of a Kincaid connection to Ameren Illinois area customers will be greater than the cost of connections at Pana. As Mr. Hackman testified, during the engineering work associated with the Project, mine subsidence issues were discovered at the existing Pana substation. The existing Pana substation transmission facilities, as well as the new Project facilities, will therefore be relocated to a new more stable site. Due to the Project’s Pawnee to Pana and Pana to Mt. Zion line segments connecting at Pana, those relocation costs are

recoverable as Multi-Value Project (MVP) costs and shared by all transmission customers in MISO. If as a result of this proceeding, the Project was routed through Kincaid, and not Pana, the existing substation facilities at Pana would still need to be relocated to a new site, but the cost would not be a part of the MVP cost and would not be eligible for cost sharing. The Kincaid connection would result in Ameren Illinois area customers—and only Ameren Illinois area customers—paying for work necessary to relocate the Pana substation. If this work were instead done as part of the Project, as ATXI proposes, by having the route connect at Pana, Ameren Illinois area customers would pay approximately 9% of the costs. Mr. Kramer and Mr. Hackman discuss the cost implications of a Kincaid connection in greater detail.

Q. Are there other issues that would result from a connection at Kincaid?

A. Yes, I have already explained why a connection at Kincaid is both technically inferior and more costly to Ameren Illinois area customers. But in addition to these deficiencies, a connection at Kincaid will also delay the in-service date of facilities necessary to maintain reliable service to Illinois customers. Mr. Kramer and Mr. Hackman explain the process in detail and the delays that would result. To summarize, the MVP projects, in addition to providing regional benefits to the energy marketplace, were also designed to support local reliability needs. In particular, the connections from Pana to Mt. Zion and Mt. Zion to Kansas provide reliability benefits necessary to meet reliability requirements in the Decatur area. A connection from Kincaid to Mt. Zion will not be in-service by the summer of 2016; therefore, an alternative must be put in-service prior to a Kincaid connection to meet the Decatur area reliability needs and to avoid the possible loss of hundreds of megawatts of load. The alternative, most likely the very Pana to Mt. Zion connection already proposed here, would not be part of the MISO MVP

projects and therefore not eligible for cost sharing. The alternative would be paid for solely by Illinois customers. It seems highly illogical to require a connection through Kincaid in light of the additional costs it creates for Illinois customers.

IV. MT. ZION SUBSTATION

Q. What is the issue concerning the Mt. Zion substation?

A. Although the Commission's August 2013 Order found a substation was needed in the Mt. Zion area, the Commission did not approve a location. As the Commission stated in the Order, "Although the Commission agrees that a new substation in the Mt. Zion area is necessary, exactly where that substation should be located is less certain." Rehearing was granted to determine the location of the Mt. Zion substation.

Q. What alternatives have been proposed?

A. ATXI offers the Mt. Zion location it originally proposed. Staff's Kincaid-Mt. Zion route proposal suggested two alternative locations approximately three miles south of ATXI's original location (what I will refer to as Staff Options 1 and 2). In its rehearing direct testimony, Staff also identified an Option 3 near the Moweaqua tap (although, as that is more than 12 miles from Mt. Zion, I do not consider it in the "Mt. Zion area").

Q. What is ATXI's position on the location of Mt. Zion substation?

A. ATXI still recommends the location it originally proposed for the reasons offered by Mr. Kramer and Mr. Hackman. However, Mr. Rockrohr has offered thoughtful discussion and analyses regarding the location of alternative substation sites near Mt. Zion. ATXI can accept either Option 1 or 2. I would note that a route modification to ATXI's Pana – Mt. Zion and Mt.

Zion – Kansas routes would be needed to accommodate their use. Ms. Donell Murphy shows what these route modifications are. Option 3—the site nearest Moweaqua—is not feasible, for the reasons explained by Mr. Kramer. Essentially, it does not provide the needed reliability to the Decatur area and, therefore, should be rejected.

V. ROUTING ISSUES

Q. What routing issues remain to be decided on rehearing?

A. The Commission approved seven routes in the initial proceeding. Two were opened to reconsideration on rehearing. Four routes remain at issue on rehearing. Two of these routes, Pawnee to Pana and Pana to Mt. Zion, will presumably be resolved in the context of whether a connection should be made at Kincaid. The other two routes at issue, Meredosia to Pawnee and a portion of Mt. Zion to Kansas, were approved by the Commission but were then subject to rehearing applications that the Commission granted.

Q. Has the position taken by parties on rehearing direct caused ATXI to change its position regarding the routes it is recommending for Commission approval?

A. No. When considering and balancing all the relevant factors—least cost, reliability issues, electrical configuration concerns, line design, environmental sensitivities, among others—ATXI’s position on the route segments it supported in its direct filing on rehearing remains the same, except that, as noted above, for its position regarding use of Staff Options 1 or 2 for the Mt. Zion substation sites.

Q. What does ATXI recommend for the Meredosia – Pawnee route?

A. ATXI continues to support the Stipulated Route the Commission approved in its August 2013 Order. In the Order, the Commission found that ATXI’s Stipulated Route would not

interfere with FutureGen's operations and recognized ATXI's concerns with the difficulty and cost of construction, operation and maintenance, of the Stipulated Route as compared to the MSCLTF Route.

Use of the MSCLTF route, which is now the route supported by the Morgan, Sangamon and Scott County Land Preservation Group (MSSCLPG), it presents reliability concerns due to the fact that it parallels an existing ATXI 138 kV line. Mr. Hackman discusses these reliability concerns with paralleling in his rehearing direct. I consider the concerns with paralleling to be the determinative factor in ATXI's recommendation.

Q. Has MSSCLPG offered any reason why its route should be selected over the Stipulated Route?

A. No. In my opinion MSSCLPG has not demonstrated or provided new information that warrants the selection of its route. Although the MSCLTF route is shorter in light of the paralleling concerns discussed by Mr. Hackman, I cannot agree with its selection.

Q. What does ATXI recommend for the Pawnee – Pana route?

A. ATXI continues to recommend approval of its Alternate Route 2. ATXI's Alternate Route 2 was largely unopposed. And the only party that objected to the route did not propose an alternative. Therefore, if the Commission approves the Pana connection as ATXI recommends, it should approve Pawnee – Pana Alternate 2.

Q. What does ATXI recommend for the Pana – Mt. Zion route?

A. ATXI recommends approval of the ATXI Pana to Mt. Zion Primary route. ATXI stipulated to this route with MCPO.

172 **Q. What does ATXI recommend for the Mt. Zion – Kansas route?**

173 **A.** That the Stipulated Route, which was MCPO's northern route, be approved from Mt.
174 Zion to Kansas.

175 **Q. Why is this route the best choice?**

176 **A.** The Stipulated Route came about as a compromise among many parties. These parties
177 include ATXI, MCPO, STPL and Shelby County. I recognize that some parties oppose the
178 Stipulated Route—but many of the routes approved by the Commission faced opposition. The
179 question is what route best represents the better balance of the twelve criteria the Commission
180 reviews in evaluating transmission line routes. The record shows the differences in length and
181 baseline cost of the Coalition of Property Owners and Interested Parties of Piatt, Douglass and
182 Moultrie Counties (PDM) hybrid of ATXI's Primary and Alternate Route and the Stipulated
183 Routes are nominal. The Stipulated Route also impacts the fewest residences as compared to
184 PDM's hybrid of ATXI's Primary and Alternate Route. The Stipulated Route also resolves the
185 concerns of the clear majority of the parties affected by the various routes proposed for the Mt.
186 Zion – Kansas portion of the Project. Of the 15 parties who own property along any of the routes
187 proposed from Mt. Zion to Kansas, only PDM and Channon Trust oppose the Stipulated Route
188 from Mt. Zion to Kansas.

189 **Q. If Staff's Options 1 or 2 for the location of the Mt. Zion substation location were**
190 **used, would ATXI use the same routes for Pana – Mt. Zion and Mt. Zion – Kansas?**

191 **A.** Not entirely. A modified route would be needed, as depicted in Ms. Murphy's testimony,
192 Figures 1 & 2.

VI. PROCEDURAL ISSUE RAISED BY STAFF

Q. Mr. Rockrohr suggests that the Commission need not approve a certificate for each segment of the Project as a part of this proceeding. Can you comment?

A. ATXI will address the legal aspects of his opinion further in brief. However, ATXI has provided substantial evidence in this proceeding that the routes it proposes are least cost.

Therefore, the Commission can make its decision based on the record before it. I believe the interest of the public is best served in issuing a certificate for the entirety of the Project in this proceeding. The Project was subject to many public meetings to receive input on its proposed routing. Many parties have participated in this proceeding, at great time and expense. There is ample evidence on the record to support that the Project is the least-cost means of satisfying the objectives of reliable service and efficient markets for Illinois customers and to establish the routes to achieve these objectives. In fact, there is substantial evidence to indicate that delaying the Project, which would be the de facto result of a separate proceeding, as Mr. Rockrohr suggests, would negatively impact reliability, particularly for the Decatur area, would delay the benefits to the MISO market of the portfolio of MVP projects, and would ultimately be more costly to Ameren Illinois area customers. Illinois customers are best served by resolving all of the routes in this proceeding.

On rehearing, Mr. Rockrohr has focused principally on the Kincaid route, and to lesser extent the route from Mt. Zion to Kansas, and the location of the Mt. Zion substation. In each instance, ATXI has provided cost information for the Commission's consideration but also other evidence that weighs on the propriety of those routes or substation site locations. As I understand it, "least cost" is not "lowest cost," but instead other factors must be considered, such as reliability and the Project benefits. When such factors are taken into account, the Commission

216 can make an informed decision in this proceeding, based on the record, in supporting the
217 positions offered by ATXI.

218 **VII. CONCLUSION**

219 **Q. Does this conclude your rebuttal testimony on rehearing?**

220 **A.** Yes, it does.